

for this check on the autonomy of these colleges becomes readily apparent when one examines the buildings that have been submitted...the building plans that these colleges have submitted to us. Those plans can be found in Appendix II. It is interesting to note that of the eighteen projects planned only seven relate to technical vocational education. Included in the plans are two physical education centers, three performing arts or theatre centers, two student centers, student housing facilities, recreational facilities and, of course, some instructional space. It is interesting to note that LB 344 passed in 1975 which creates the existing system of the technical community colleges required the approval of the people prior to incurring long term debts by issuing general obligation bonds. In response to a question from Senator Dworak, Senator Kremer established legislative intent. Senator Dworak said, this comes from the floor debate on LB 344 in April of 1975, Senator Dworak said, and I quote, "Then the intent is that the board does not have the power to issue any general obligation without the vote of the people. That is the intent of the wording of this bill." Senator Kremer responded, "That is right." Unfortunately, the Legislature forgot to lock the door and a referendum provided....provisions which were provided were not tight enough. The schools have circumvented the intent, entering into long term lease purchase agreements, avoiding voter approval. I believe that now is the time to close that loophole. The moratorium on capital construction in the areas overobligated is also very important. Two of the six areas, the western and central areas, do not plan to pay off capital construction debts until 1988 and 1985, respectively. I think it is important to remember that the authority to levy a tax for purposes of capital construction expires in 1980. There is some question as to the legality of using operating dollars to pay off capital construction debts. If operating dollars cannot be used, we will be in very serious trouble. The western area will default in 1980. The central area, to avoid defaulting, will have to shift dollars currently directed to operations to capital construction. This will result in a cut of approximately \$500,000 currently slated for educational services. That \$500,000 will have to be directed to pay for existing brick and mortar. No new capital construction projects could be completed. If operating dollars can be used to construct facilities, we still face serious problems. This would mean that the western and central areas must use state and local tax money currently directed to educational programs to pay for old capital construction debts. This, of course, will result in reduced educational services to the people to pay for buildings which will probably not be fully utilized. To allow this problem to be compounded by allowing further capital construction in these areas, when the capital construction is of questionable necessity, is not wise. If we do not act, we will face the following alternatives in 1980: A state bail out where the state would have to assume all of the bonded indebtedness of the technical community college system and establish a state control. Another alternative would be to expand the general mill levy authority for the technical community college system and specify that they could use operating dollars for capital construction purposes. A third alternative would be to